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KENTUCKY INFRASTRUCTURE AUTHORITY

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To Whom It May Concern:

The Kentucky Infrastructure Authority and the Kentucky Division of Water are announcing the 2012 Drinking Water State Revolving Fund (DWSRF) Call for Projects.

**The Drinking Water State Revolving Fund Call for Projects
Will Be Open from October 1, 2010 to January 4, 2011**

If you have a drinking water project that will need funding during the 2012 state fiscal year (July 1, 2011 thru June 30, 2012), we want to hear from you as your project may be eligible to receive funding from the Drinking Water State Revolving Fund (DWSRF). The DWSRF is a competitive program. To be qualified to apply for a low interest DWSRF loan, your project **MUST** be ranked and listed on the DWSRF Priority List developed by the Division of Water (DOW). **NOTE:** Projects will not be carried forward from the 2011 project priority list to the 2012 project priority list.

The Call for Projects Process Has Been Improved...It's Easier

It is now even easier to submit your project for inclusion on the DWSRF Priority List. All you need to do is work with your local Area Water Management Council (AWMC) through the Area Development District (ADD) to complete or update a Project Profile (and related mapping) in the Water Resource Information System (WRIS). The Project Profile has undergone a significant transformation over the past year and now includes the information necessary to evaluate potential DWSRF projects. The ADD staff may have already contacted you to start providing additional information for your existing project profiles to be updated.

You Will Need a Project Profile for Your Project to Be Ranked for SRF

All information needed by DOW to review and rank potential DWSRF projects has been incorporated into the Project Profile template. For your project to be included in the DWSRF Priority List you must work with the Water Management Planner at your local ADD to update or create a WRIS Project Profile.

DOW strongly encourages you to read the Priority System Guidance Document before you begin submitting your Project Profile as you might acquire some useful ideas for improving your project's overall score. **Additionally, only those projects that can start construction by December 31, 2012 will be considered for funding.**

Training Sessions Will Be Provided

Training addressing the changes to the Call for Projects process will be held October 11th and 12th for potential loan recipients, consultants, project administrators, or other interested parties. The October 11th training will be held in Bowling Green, Kentucky at the Carroll Knicely Conference Center located at 2355 Nashville Road starting at 9:30 a.m. CST. The October 12th training will be held in Morehead, Kentucky at the Morehead Conference Center located at 111 East First Street starting at 9:30 a.m. EST. These training sessions are anticipated to last no more than 4 hours and will include a demonstration and explanation of the new Project Profile Portal and SRF related information.

Current Interest Rates

Projected interest rates for the program will be identified in the 2012 DWSRF Intended Use Plan (IUP) which will be available late spring, 2011. Rates identified in the IUP are subject to change by approval of the KIA Board. Currently, KIA offers three interest rates for the DWSRF program. The standard rate of 3% is available for borrowers with a median household income (MHI) at or above \$33,672, the MHI of the Commonwealth from the 2000 Census. A 2% rate is offered to borrowers whose MHI is between \$33,672 and \$26,938 (80% of the Commonwealth MHI). The 2% rate also applies to those projects that facilitate compliance with an order or judgment addressing environmental non-compliance or those systems that are considered regional. To qualify for the 1% rate, the borrower must have a MHI at or below \$26,938.

Sustainable Infrastructure Initiative

Available on KIA's and DOW's websites is a brochure highlighting the Sustainable Infrastructure (SI) initiative launched by EPA and the Kentucky Division of Water in 2008. Projects that incorporate some of the practices and recommendations described in the SI brochure might receive additional points, resulting in a higher ranking on the DWSRF Project Priority List. The DOW encourages you to contact them with any questions or feedback regarding the SI initiative.

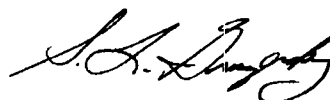
Questions?

If you have questions about completing the questionnaire or project eligibility for priority list inclusion, please contact Amanda Yeary or Shafiq Amawi of the Water Infrastructure Branch at amanda.yeary@ky.gov or shafiq.amawi@ky.gov or at (502) 564-3410. For more information on loan requirements, terms or eligibility contact Kasi White or Sandy Williams of KIA at kasi.white@ky.gov or sandy.williams@ky.gov or at (502) 573-0260.

Sincerely,



John E. Covington, III, Executive Director
Kentucky Infrastructure Authority



Sandra L. Gruzesky, Director
Division of Water